

Indiana House of Representatives

News and Information

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HOUSE DEMOCRATS OPPOSE GOP BUDGET PLAN THAT RAISES TAXES, CUTS SCHOOL FUNDING

INDIANAPOLIS – Indiana House Democrats today unanimously opposed a House Republican budget proposal that will raise property taxes for homeowners, while cutting funding for schools throughout the state.

"As House Bill 1001 moves from the Indiana House to the state Senate for consideration, I must hope that our colleagues recognize the serious flaws that are contained in the budget plan offered by the Indiana House Republicans, and work quickly to enact a more responsible measure," said House Democrat Leader B. Patrick Bauer (D-South Bend).

State Rep. William Crawford (D-Indianapolis), ranking Democrat on the House Ways and Means Committee, added, "I realize that it is the responsibility of the House Republican leadership to put the best possible face on the major initiatives that they are championing, but the budget bill they supported today is a disaster."

House Democrats voted against the House Republican budget for three major reasons:

THE HOUSE REPUBLICAN BUDGET CUTS STATE FUNDING FOR SCHOOLS

"Supporters claim House Bill 1001 provides more funding for state schools, but the fact is that most of these additional funds will be going to only a few school corporations in suburban areas," Bauer said. "This budget provides no minimum state funding guarantee, which could cause more than half of Indiana's 293 school corporations to lose state support. It actually channels state dollars away from schools, causing local taxes to increase. In addition, the House Republican budget underfunds such areas as deficiency payments and textbook reimbursements, another factor that will force most school corporations to enact large local property tax increases, cut programs, or both."

THE HOUSE REPUBLICAN BUDGET WILL INCREASE PROPERTY TAXES

"Supporters claim House Bill 1001 will not increase taxes, but this bill is a vehicle to raise local property taxes, just a couple of years after the Legislature approved a bipartisan tax restructuring plan that was designed to reduce local property taxes," Crawford said. "The budget caps the amount of local property tax relief provided through Property Tax Replacement Credits (PTRC), which provide 20 percent relief on your property taxes when they are deducted from your spring and fall tax bills. By failing to provide additional state support for either local property tax relief or education funding, this budget will require local property taxpayers to pay more of the bill."

THE HOUSE REPUBLICAN BUDGET FAILS TO PROPERLY FUND MEDICAID

"Supporters claim House Bill 1001 properly funds the state's obligations under Medicaid, but their bill provides only a 3 percent increase in Medicaid funding at a time when Medicaid costs are expected to grow by at least 10 percent," Bauer said. "Even Gov. Mitch Daniels has proposed a 5 percent increase in funding. It is impossible to ignore the state's obligations to this area, no matter how much you might want to ignore them. The federal government will make the state provide matching funds when the bills come due. If costs do match expectations, the bottom line of this budget will be blown out of the water and it will be unbalanced."

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